

House Budget and Research Office

COVERDELL LEGISLATIVE OFFICE BUILDING, ROOM 412 ATLANTA, GEORGIA 30334 404-656-5050

MARTHA R. WIGTON DIRECTOR

Supplemental Nutrition Assistance Program Rule Changes

The Supplemental Nutrition Assistance Program (SNAP) is a federally-funded program that provides monthly benefits to low-income households to help pay for the cost of food. A household may include one person living alone, a family, or several unrelated individuals residing in the same house who routinely purchase and prepare meals together. In FY 2019, Georgia reported an average 1.4 million monthly recipients, utilizing over \$2.1 billion in federal funding.¹

Able-bodied adults without dependents (ABAWDs) are SNAP participants ages 18 through 49 who are not disabled or caring for children or other dependents. As of 2016, ABAWDs accounted for 3.8 million of the nearly 40 million Americans who receive SNAP benefits. ABAWDs cannot receive SNAP benefits for longer than three months during a three-year period unless they are working or enrolled in an education and training program for at least 80 hours a month. ABAWDs who are pregnant, unable to work due to a physical or mental limitation, or have someone under 18 years of age in their household are excused from these additional requirements and time limit.

New Rule

States can waive this time limit when unemployment is high or there are not enough jobs available. This includes particularly hard-hit economic areas that have an unemployment rate of over 10 percent or a lack of sufficient jobs. In 2019, the U.S Department of Agriculture's (USDA) Food and Nutrition Service (FNS) announced a tightening of rules for time-limit waivers for ABAWDs, effective April 1, 2020.

Summary of Changes²

- Establishes a floor for a "lack of sufficient jobs": Only areas with unemployment rates above five percent will be considered for waivers;
- Eliminates statewide waivers;
- Limits use of alternative data for waiver request applications: The USDA will approve waiver requests for reservations or U.S. territories using alternative data not from the Bureau of Labor;
- Limits grouping areas: Currently, states can group multiple counties, cities, and towns together to apply for a time-limited waiver. The new rule requires states to use labor market areas (LMAs) by the Department of Labor. LMAs are economically integrated areas where individuals can reside and find employment within a reasonable distance;
- **Shortens duration of waiver approvals:** Currently, SNAP waivers can be approved for longer than a year in certain circumstances. The new rule limits the waiver's duration to one year;

¹ https://dfcs.georgia.gov/dfcs-descriptive-data-reports-year

² https://www.ncsl.org/ncsl-in-dc/standing-committees/health-and-human-services/proposed-rule-by-usda-fns-and-snap.aspx

 Eliminates unlimited exemption carryover: Each fiscal year, the USDA adjusts the number of ABAWD percentage exemptions available to each state. States can exempt up to 15 percent of their caseload from SNAP time limits, a mechanism that can be used to extend eligibility for ABAWDs. States do not have to use the entirety of these exemptions in one year but can accumulate them year to year. Under the new rule, unlimited carryover from all preceding years is no longer allowed.

Impact of Changes

The USDA's Food and Nutrition Services projects a savings of \$15 billion over a decade. USDA also claims that nearly half of ABAWDs receiving SNAP now live in waived areas and that nearly 74 percent of ABAWDs are not working. An estimated 755,000 of these individuals will lose SNAP benefits over three years once the new rule is implemented. The USDA projects that the number of areas across the country with waivers will shrink by 75 percent. States that have time-limited waivers that cover a large geographic area of the state may see an increase in administrative costs associated with tracking the state's ABAWD population to ensure work requirements are being met. Additionally, many food pantries and other social service provider agencies may feel the strain of individuals who no longer receive SNAP and seek assistance elsewhere.

In Georgia, it is estimated that over 100,000 Georgians receive SNAP benefits as ABAWDs.³ The new rule change redefines that only counties with unemployment rates of six percent or higher will be considered for waivers. According to the latest labor report published by the Georgia Department of Labor⁴, only six counties are eligible: Chattooga, Clay, Hancock, Terrell, Twiggs, and Wheeler. According to this report, the aggregate number of unemployed individuals for these counties is 1,590, accounting for only .82 percent of unemployed workforce in Georgia (February, 2020). The impacts of COVID-19 are not reflected in this report, but it is safe to predict unprecedented increases in these data points statewide.

Current Status of Rule Change

On March 13, 2020, the U.S. District Court for the District of Columbia issued a national injunction that temporarily halted the implementation of the rule change. The lawsuit asserts that the rule change sidesteps Congress's intent for SNAP, violates the rule-making process, imposes significant administrative and cost burdens on states, and would harm local business and economies. The court cited the ongoing COVID-19 pandemic as an example of why states require the increased flexibilities that the rule change limits. As a result, current SNAP rules remain in place until the court has more time to hear arguments and issue a final decision. Additionally, the 'Families First Coronavirus Response Act' waives work requirements for ABAWDs through the end of the month that the national coronavirus emergency expires.

RESOURCES

Due to the unprecedented nature of this pandemic, DFCS lobbies have temporarily closed. Constituents are advised to utilize several self-service online options:

Apply for Food Stamps (and other Medicaid benefits)
Visit: gateway.ga.gov
(verification documents, case status info for all benefits,
Medicaid, and TANF account updates can also be found on this website)

Download an application Visit:

dfcs.georgia.gov/services

<u>Electronic Benefits Transfer</u> (EBT)

Visit:

connectebt.com/gaebtclient/

Call: 888-421-3281 for updates

Request paper application or apply by telephone
Call: 877-423-4746 (DFCS

Customer Contact Center)

https://frc.gsu.edu/2017/07/new-report-changes-georgias-supplemental-nutrition-assistance-program/

⁴ https://dol.georgia.gov/area-unemployment-rate-and-labor-force-estimates